

COYS OF KENSINGTON AUTOMOBILES LTD
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2005

Company Registration Number 4627057



Eskeys & Company

Chartered Accountants
34 Bellfield Avenue
Harrow Middlesex
United Kingdom
HA3 6SX

COYS OF KENSINGTON AUTOMOBILES LTD

FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2005

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COYS OF KENSINGTON AUTOMOBILES LTD

COMPANY INFORMATION

The Board of Directors	Mr D R Jamieson Mr C J Routledge
Company Secretary	C J Routledge
Registered office	Manor Court Lower Mortlake Road Richmond TW7 2LL
Accountants	Eskays & Company 34 Bellfield Avenue Harrow Middlesex HA3 6SX
Bankers	H S BC Bank plc 100 Old Broad Street London EC2N 1BG
Solicitors	Wilmot & Co 38 Castle Street Cirencester Gloucestershire GL7 1QH

COYS OF KENSINGTON AUTOMOBILES LTD

THE DIRECTORS' REPORT

YEAR ENDED 31st DECEMBER 2005

The directors present their third annual report and the financial statements of the company for the year ended 31st December 2005

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that auctioneers and purveyors of classic and sports cars of historic values and of promotion of motoring events

RESULTS AND DIVIDENDS

The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements

The directors do not recommended a dividend

DIRECTORS

The directors who served the company during the year were as follows

Mr D R Jamieson
Mr C J Routledge

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company The parent company, Coys Group has not commenced trading

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 8, and then apply them on a consistent basis, making judgments and estimates that are prudent and reasonable The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985 The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

COYS OF KENSINGTON AUTOMOBILES LTD

THE DIRECTORS' REPORT *(continued)*

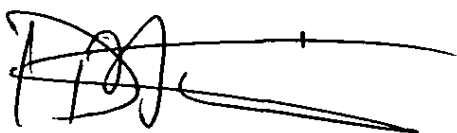
YEAR ENDED 31st DECEMBER 2005

In preparing these financial statements

- 1) The directors are of the opinion that the company is entitled to the exemption from an audit conferred by Section 249A(1) of the Companies Act 1985,
- 2) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- 3) The directors acknowledge their responsibilities for:
 - a) Ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - b) Preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

Signed by order of the directors

A handwritten signature in black ink, appearing to be 'D R Jamieson', with a long horizontal line extending to the right.

D R Jamieson
Director

Approved by the directors on 26th September 2007

COYS OF KENSINGTON AUTOMOBILES LTD**BALANCE SHEET****AS AT 31st DECEMBER 2005**

	Note	2005 £	2004 £
FIXED ASSETS			
Intangible Assets	16	293,750	293,750
Tangible Assets	9	23,199	49,170
		<u>316,949</u>	<u>342,920</u>
CURRENT ASSETS			
Stocks	10	105,459	52,419
Debtors	9	1,191,485	823,305
Cash at bank and in hand		9,575	139,635
		<u>1,306,519</u>	<u>1,015,359</u>
CREDITORS: Amounts falling due within one year	11	1,511,185	1,308,572
NET CURRENT LIABILITIES		<u>(204,666)</u>	<u>293,213</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>112,283</u>	<u>49,707</u>
CAPITAL AND RESERVES			
Called-up equity share capital	13	100	100
Profit and loss account	14	112,183	49,607
SURPLUS		<u>112,283</u>	<u>49,707</u>

In preparing these financial statements

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- 2) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
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COYS OF KENSINGTON AUTOMOBILES LTD

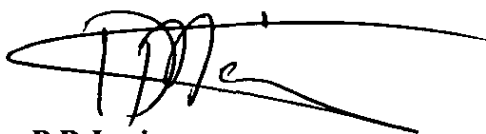
BALANCE SHEET *(continued)*

AS AT 31st DECEMBER 2005

- b Preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

These financial statements were approved by the Board on 26th September 2007

A handwritten signature in black ink, appearing to read 'D R Jamieson', with a long horizontal line extending to the right.

D R Jamieson
Director

The notes on pages 6 to 10 form part of these financial statements

COYS OF KENSINGTON AUTOMOBILES LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st DECEMBER 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention

Corporation Tax

Provision for Corporation Tax is made at the current rates on taxable profits

Foreign Currency

Transactions in foreign currency are translated into £ sterling at the rates of exchange prevailing on the transaction date. Assets and liabilities in foreign currencies are translated into £ sterling at the rates of exchange prevailing at the balance date. Exchange differences are taken into account in arriving at the operating profits.

Deferred Taxation

Deferred taxation is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing difference reverse, based on current tax rates and laws.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Stock

Stocks are valued at lower of cost and net realisable value but taking into account any improvements and after making due allowance for obsolete and slow unsaleable items.

Turnover

The turnover shown in the profit and loss account represents the value of car sales and auction commission during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Auction Equipment - 25% straight line

Office & Other Equipment - 25% straight line

COYS OF KENSINGTON AUTOMOBILES LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2005

2. TURNOVER

The turnover and profits before tax are attributable to the principal activities of the company
An analysis of turnover is given below

	2005 £	2004 £
United Kingdom	5,231,711	3,846,895

3. OPERATING PROFIT

Operating profit is stated after charging

	2005 £	2004 £
Operating profit is stated after charging	2005	2004
Directors' emoluments	96,928	-
Depreciation of owned fixed assets	11,530	16,389

4. TAXATION

United Kingdom Corporation Tax
Charge for the Year
Under-provision for earlier years

	2005 £	2004 £
United Kingdom Corporation Tax	2005	2004
Charge for the Year	17,560	7,079
Under-provision for earlier years	12,290	-

Per Accounts

29,850	7,079
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5. DIRECTORS' EMOLUMENTS

	2005	2004
Salaries paid to the directors during the year	89,071	-

6. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2005 £	2004 £
Number of selling and marketing staff	7	7
Number of administration staff	4	4
Number of management staff	2	2

The aggregate payroll costs of the above were

	2005	2004
Salaries and wages	305,165	232,178
Social security costs	32,897	24,027

COYS OF KENSINGTON AUTOMOBILES LTD**NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31st DECEMBER 2005****7. INTEREST PAYABLE**

	2005	2004
	£	£
Interest payable on bank borrowing	-	-

8. TANGIBLE FIXED ASSETS

	Auction Equipment	Office & & Other Equipment	Total
COST	£	£	£
As at 1st January 2005	11,750	53,809	65,559
Addition during the year	-	558	558
Disposals during the year	10,000	10,000	20,000
As at 31st December 2005	1,750	44,368	46,118
DEPRECIATION			
As at 1st January 2005	2,937	13,452	16,389
Charge for the year	438	11,092	11,530
Accumulated Depn on Disposal	(2,500)	(2,500)	(5,000)
As at 31st December 2005	875	22,044	22,919
NET BOOK VALUES			
As at 31st December 2005	875	22,324	23,199
As at 31st December 2004	8,813	40,357	49,170

9. DEBTORS

	2005	2004
	£	£
Trade Debtors	802,548	388,150
Other debtors	349,185	311,076
Legal actions expenditures	23,413	58,245
Associated companies undertakings	16,339	65,834
	1,191,485	823,305

10. STOCKS

	2005	2004
	£	£
Stock of Cars	105,459	52,419

COYS OF KENSINGTON AUTOMOBILES LTD

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31st DECEMBER 2005

11. CREDITORS: Amounts falling due within one year

	2005	2004
	£	£
Trade creditors	1,332,208	903,643
Amounts owed to group undertakings	99,756	303,117
Other creditors	22,000	47,230
Taxation	57,221	54,582
	<u>1,511,185</u>	<u>1,308,572</u>

12. RELATED PARTY TRANSACTIONS

D R Jamieson and C J Routledge, directors of the company, were also directors of the following companies. As at the balance sheet date the following balances were due to / from the companies

	Amount due from	Amount due to
	£	£
Motorgate Sales Limited (2004 £4,926)		4,926
Coys Holdings Ltd (2004 £70,760)	1,838	
Coys of Kensington Ltd (2004 £298,191)		94,830
Motoring Promotion Limited (In Liquidation)	1,000	-
Barnpine Ltd	13,500	

The debt due to Coys of Kensington Limited is secured by a debenture on all the assets of the company

13. SHARE CAPITAL

Authorised share capital:

	2005	2004
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	No	2005	No	2004
		£		£
Ordinary shares of £1 each	100	100	100	100

COYS OF KENSINGTON AUTOMOBILES LTD**NOTES TO THE FINANCIAL STATEMENTS** *(continued)***YEAR ENDED 31st DECEMBER 2005****14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2004 £	2003 £
Profit for the financial year	62,576	32,726
Opening shareholders' equity Surplus	49,607	16,881
Closing shareholders' equity Surplus	<u>112,283</u>	<u>49,607</u>

15. ULTIMATE PARENT COMPANY

The ultimate parent company is Coys Group Limited, a company registered in England and Wales. The parent company is not trading.

16. INTANGIBLE ASSETS

Goodwill acquired at a cost of £293,750 is to be written off in equal amounts over 25 years from the year 2006. No provision for write off has been made in the current year as the purchase was not finalised until the end of the year.

17. BUSINESS LEASE

The company has leased the business premises on a 20 year Lease from 29th September 2005 from Bampine Limited, a company in which D R Jamieson and C J Routledge are directors.